

Title Agency Monthly Report

For the month of September, 2010

License Renewal

Agy_ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
6542	BASIN LAND TITLE & ABSTRACT, INC	5/16/2002	9/30/2012			TE
6542	BASIN LAND TITLE & ABSTRACT, INC	5/16/2002	9/30/2012			TS
6223	SECURITY TITLE INSURANCE AGENCY OF U	5/16/2002	9/30/2012			TE
6223	SECURITY TITLE INSURANCE AGENCY OF U	5/16/2002	9/30/2012			TMR
6223	SECURITY TITLE INSURANCE AGENCY OF U	5/16/2002	9/30/2012			TS
11740	UNITED TITLE SERVICES (W K ASSOCIATES)	9/16/2002	9/30/2012			TE
11740	UNITED TITLE SERVICES (W K ASSOCIATES)	9/16/2002	9/30/2012			TMR
11740	UNITED TITLE SERVICES (W K ASSOCIATES)	9/16/2002	9/30/2012			TS
7815	WASATCH TITLE INSURANCE AGENCY, LLC	5/16/2002	9/30/2012			TE
7815	WASATCH TITLE INSURANCE AGENCY, LLC	5/16/2002	9/30/2012			TS

Lapse Licenses

Agy_ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
15732	NATIONAL TITLE AGENCY	8/2/2006	8/31/2010	8/31/2010		TE
15732	NATIONAL TITLE AGENCY	8/2/2006	8/31/2010	8/31/2010		TS
158910	FIRST HERITAGE TITLE INSURANCE AGENC	8/14/2008	8/31/2010	8/31/2010		TE
158910	FIRST HERITAGE TITLE INSURANCE AGENC	8/14/2008	8/31/2010	8/31/2010		TS

Title Individual Monthly Report

For the month of September, 2010

New License

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
1405262	PAMELA BUSK	09-02-2010	09-30-2012			TE

License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
45979	WAYNE T RUSSELL	05-16-2002	09-30-2012			TE
70838	THERESA L GREEN	05-16-2002	09-30-2012			TE
128204	BRITTNEY NAY	05-03-2006	09-30-2012			TE
37010	BEN R BROUGH	05-16-2002	09-30-2012			TS
35205	CORINNE SCHROADER WOODWARD	05-16-2002	09-30-2012			TE
35324	CATHY A BOGDAN	10-12-2005	09-30-2012			TE
150393	EDWARD AUSTIN BLANFORD	11-05-2007	09-30-2012			TS
100246	DANIELLE E BERTOLDI	04-02-2004	09-30-2012			TE
45888	MICHELLE BURNS	08-04-2003	09-30-2012			TE
40598	CHRISTOPHER M MERBACK	05-16-2002	09-30-2012			TS
73813	DAVID B FREEMAN	05-16-2002	09-30-2012			TE
126134	BRANDON LEE PLATT	03-08-2006	09-30-2012			TS
37164	DUANE J PHILLIPS	05-16-2002	09-30-2012			TS
37164	DUANE J PHILLIPS	05-16-2002	09-30-2012			TE
42198	CHRISTINE PARRY	09-28-2004	09-30-2012			TS

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For the month of September, 2010

License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
26452	ANNETTE H SCHUSTER	05-16-2002	09-30-2012			TE
75761	BARRY C ORTON	05-16-2002	09-30-2012			TS
75761	BARRY C ORTON	05-16-2002	09-30-2012			TE
37922	JAY DAVIS	05-16-2002	09-30-2012			TS
95772	JUDITH H DAVIS	11-04-2003	09-30-2012			TE
45888	MICHELLE BURNS	08-04-2003	09-30-2012			TS
121979	CHRISTOPHER KYLE CAIN	11-22-2005	09-30-2012			TE
121979	CHRISTOPHER KYLE CAIN	11-22-2005	09-30-2012			TS
35042	CARRIE J CHAMPION	05-16-2002	09-30-2012			TE
31836	TRACY COTTLE	05-16-2002	09-30-2012			TE
44017	D CAMERON COURT	05-16-2002	09-30-2012			TE
30560	KATHALEEN H IVINS	05-16-2002	09-30-2012			TE
32186	MERVIN LEVI GLINES	05-16-2002	09-30-2012			TS
42040	HOLLY M SHAFER	05-16-2002	09-30-2012			TS
32186	MERVIN LEVI GLINES	05-16-2002	09-30-2012			TE
35556	GARY B DAY	05-16-2002	09-30-2012			TS
40752	MICHELLE A. DEMMAN	05-16-2002	09-30-2012			TE
39019	DANNY O EASTBURN	05-16-2002	09-30-2012			TE
39019	DANNY O EASTBURN	05-16-2002	09-30-2012			TS
79914	DAWN RENAE EDDY	09-09-2002	09-30-2012			TE

Title Individual Monthly Report

For the month of September, 2010

License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
81935	JODI A ESKELSEN	09-30-2002	09-30-2012			TE
36980	TRUDI K FENNER	05-16-2002	09-30-2012			TE
45459	PAUL D NEWTON	05-16-2002	09-30-2012			TE
37922	JAY DAVIS	05-16-2002	09-30-2012			TE
8414	STEPHEN R TUTTLE	05-16-2002	09-30-2012			TS
42040	HOLLY M SHAFER	05-16-2002	09-30-2012			TE
30560	KATHALEEN H IVINS	05-16-2002	09-30-2012			TMR
133340	NICOLE JEX	08-30-2006	09-30-2012			TE
129075	TOBY L JOHNSON	05-25-2006	09-30-2012			TMR
120227	JENNIE T JONSSON	10-17-2005	09-30-2012			TE
124310	JULIE D WILLIAMS	01-25-2006	09-30-2012			TE
78391	RYANN K WEBB	06-21-2002	09-30-2012			TE
101243	DEBORAH B WEAVER	04-22-2004	09-30-2012			TS
39946	CHRISTINA S OLSEN	05-16-2002	09-30-2012			TE
44741	JASON A VANDENBERG	05-16-2002	09-30-2012			TE
45459	PAUL D NEWTON	05-16-2002	09-30-2012			TS
8414	STEPHEN R TUTTLE	05-16-2002	09-30-2012			TE
137816	SETH G. STODDARD	07-22-2008	09-30-2012			TE
105892	ANGIE RAE SNARR	09-20-2004	09-30-2012			TE
77253	LIMHI MENESES	05-17-2002	09-30-2012			TE

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License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
40640	ALFRED J NEWMAN	05-16-2002	09-30-2012			TE
101243	DEBORAH B WEAVER	04-22-2004	09-30-2012			TE
40640	ALFRED J NEWMAN	05-16-2002	09-30-2012			TS
31622	JEFFERY S SIMONSEN	05-16-2002	09-30-2012			TS
95183	MARY L HIPWELL	10-15-2003	09-30-2012			TE
54171	BRAD J HAYS	05-16-2002	09-30-2012			TS
134361	MELANIE O MAXFIELD	09-15-2006	09-30-2012			TE
38278	JILL S MADDOX	05-16-2002	09-30-2012			TE
27470	KATRINA LYON	05-16-2002	09-30-2012			TE
93808	CONNIE J KALLEN	09-04-2003	09-30-2012			TE
44017	D CAMERON COURT	05-16-2002	09-30-2012			TMR
120227	JENNIE T JONSSON	10-17-2005	09-30-2012			TS
31622	JEFFERY S SIMONSEN	05-16-2002	09-30-2012			TE
38144	ROBIN L MORAN	05-16-2002	09-30-2012			TE

Late License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
98618	BENJAMIN M WOOLF	02-11-2004	09-30-2012			TS
119196	JACQUELINE A WARDLE	09-26-2005	09-30-2012			TE

Title Individual Monthly Report

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Late License Renewal

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
101692	BRENDA L BEATY	05-12-2004	09-30-2012			TE
98618	BENJAMIN M WOOLF	02-11-2004	09-30-2012			TE
80334	Desiree Dorman Durtschi	08-14-2002	09-30-2012			TE
50065	SHAWN A PARKER	05-16-2002	09-30-2012			TS
50065	SHAWN A PARKER	05-16-2002	09-30-2012			TE
41086	MICHAEL S KIRBY	05-16-2002	09-30-2012			TE
41086	MICHAEL S KIRBY	05-16-2002	09-30-2012			TS
44536	LAREN L NALDER	04-15-2004	09-30-2012			TE

Lapse Licenses

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
130607	MATTHEW RILEY WALKER	06-26-2006	08-31-2010	9/30/2010		TE
53814	Andra L. Thomas	08-11-2004	08-31-2010	9/30/2010		TMR
53814	Andra L. Thomas	08-11-2004	08-31-2010	9/30/2010		TE
31704	JAMIE S LAWLESS	05-16-2002	08-31-2010	9/30/2010		TE
71083	SCOTT L POWELL	05-16-2002	08-31-2010	9/30/2010		TE
71083	SCOTT L POWELL	05-16-2002	08-31-2010	9/30/2010		TMR
126528	JEFFREY D BOWMAN	03-15-2006	08-31-2010	9/30/2010		TMR
1354820	KIMBERLY VEGA	02-25-2008	08-31-2010	9/30/2010		TMR

Title Individual Monthly Report

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Lapse Licenses

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
1346804	NATALIE ROCHELLE BAER	12-07-2007	08-31-2010	9/30/2010		TE
1344005	TIMOTHY JUSTIN HERRERA	01-18-2008	08-31-2010	9/30/2010		TMR
1343819	BENJAMIN DAVID MORRISON	11-09-2007	08-31-2010	9/30/2010		TS
1341136	ALLISON L SCHREIBER	06-03-2008	08-31-2010	9/30/2010		TE
1341063	CHRISTIAN JAMES SCHWAB	12-03-2007	08-31-2010	9/30/2010		TMR
127730	DANIEL S MAYNES	04-17-2006	08-31-2010	9/30/2010		TS
130607	MATTHEW RILEY WALKER	06-26-2006	08-31-2010	9/30/2010		TS
104487	BRETT JAMES PALMER	08-09-2004	08-31-2010	9/30/2010		TE
93868	MARILYN S REES	09-05-2003	08-31-2010	9/30/2010		TMR
94250	BRITANI KAE COWDIN	09-18-2003	08-31-2010	9/30/2010		TE
96906	DANIELLE M HAYMOND	12-05-2003	08-31-2010	9/30/2010		TE
98260	JASON M MERRILL	01-28-2004	08-31-2010	9/30/2010		TE
98260	JASON M MERRILL	01-28-2004	08-31-2010	9/30/2010		TS
131409	DANIELLE HARRISON	07-19-2006	08-31-2010	9/30/2010		TE
104116	JAMES TYLER HOLDEN	07-26-2004	08-31-2010	9/30/2010		TE
77237	SCOTT A STEPHENS	05-15-2002	08-31-2010	9/30/2010		TE
104487	BRETT JAMES PALMER	08-09-2004	08-31-2010	9/30/2010		TMR
114188	CHASE BRYANT SIDOWAY	06-01-2005	08-31-2010	9/30/2010		TE
122149	CARRIE B GARNER	12-06-2005	08-31-2010	9/30/2010		TE
127593	BRYCE A HAIR	04-12-2006	08-31-2010	9/30/2010		TMR

Title Individual Monthly Report

For the month of September, 2010

Lapse Licenses

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
70540	LILIAN GUERRERO	05-16-2002	08-31-2010	9/30/2010		TE
128418	AMELIA ANN CHRISMAN	05-10-2006	08-31-2010	9/30/2010		TS
129208	BRIANNE CARTER	05-26-2006	08-31-2010	9/30/2010		TE

Reinstated License

Indv ID	Name	Issue Date	Expiration Date	Lapse Date	Reactivation Date	Qualification
125209	GENTRY W LAWSON	02-15-2006	08-31-2012	9/30/2010	9/8/2010	TS
27243	MICHELE ANN HEUSER	05-16-2002	12-31-2011	1/30/2010	9/20/2010	TE

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UTAH STATE
INSURANCE DEPT

M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3872

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

MORGAN TITLE & ESCROW, INC.
202 East 800 South, Suite 101
Orem, UT 84058

License No. 242670

STIPULATION AND ORDER

Docket No.

Enf. Case No. 2704

STIPULATION

1. Respondent, Morgan Title & Escrow, Inc. is a licensed insurance agent in the State of Utah, holding License No. 242670.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent admits the Findings of fact and Conclusions made therefrom;

- c. Respondent stipulates to the Summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.


3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

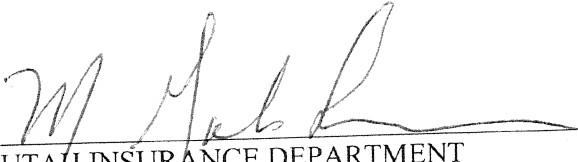
4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 10 day of September, 2010.


MORGAN TITLE & ESCROW, INC.
By Hillary J. Morgan, President


UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Office makes the following Findings of Fact:

FINDINGS OF FACT

1. In December 2009 Respondent Morgan Title & Escrow, Inc. distributed 5 poinsettia plants to loan officers at Wells Fargo Bank in Provo, UT.
2. Attached to the plants was a holiday greeting card displaying a logo and the name "Morgan Title & Escrow."
3. Respondent was contacted by a Department investigator after a complaint was received from another title agency suggesting that the distribution of the plants by Respondent may be in violation of the Rule regarding self-promotional items.
4. Respondent answered the investigator's inquiry by confirming that the cost of the each plant with card was under the \$5.00 limit and was non-edible.
5. The investigator then informed Respondent that merely attaching a card, tag or business card to an item did not meet the criteria for "self promotional" as contemplated by the Rule.
6. Respondent agreed to a forfeiture of \$2,5000 for the distribution of five poinsettias with the holiday card attached to the loan officers at Wells Fargo Bank.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Ann. § 31A-23a-402 (2009) defines unfair marketing practices and provides that the Title and Escrow Commission shall make rules that define any other unfair

method of competition or any other unfair or deceptive act or practice. . . .

2. Department Rule R592-6-5 states the following:

Except as otherwise specifically prohibited in Section R592-6-4 above, the following are permitted:

(5) A title insurer, agency or producer may distribute self-promotional items having a value of \$5 or less to clients, consumers and members of the general public. These self-promotional items shall be novelty gifts which are non-edible and may not be personalized or bear the name of the donee. Self-promotional items may only be distributed in the regular course of business. Self-promotional items may not be given to clients or trade associations for redistribution by these entities.

3. The distribution of the poinsettias with a card attached violated the above Rule in that merely placing, sticking, or otherwise affixing an agency logo, business card, or other form of advertising does not meet the criteria of "self-promotional" as contemplated by the Rule.

4. An administrative forfeiture of \$2,500.00 to be paid in monthly installments is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following recommended Order:

RECOMMENDED ORDER

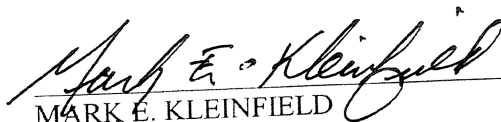
IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE FOLLOWING PENALTY:

1. Respondent Morgan Title & Escrow, Inc. be assessed an administrative forfeiture in the amount of \$2,500.00 to be paid to the Department of Insurance in monthly installments in the

amount of \$250.00 beginning within 30 days of issuance of the Order and continuing each month until paid in full.

DATED this 14 day of September, 2010.

NEAL T. GOOCH
Acting Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

ADOPTION OF RECOMMENDED ORDER AND IMPOSITION OF PENALTY

By a vote of _____ to _____, taken in open meeting on this date, the Title and Escrow Commission hereby adopts the recommended order of the presiding officer and imposes the penalty recommended herein above.

DATED this _____ day of _____, 2010.

JERRY HOUGHTON, Chairman
Title and Escrow Commission

NOTIFICATION

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeiture of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
160 East 300 South, fifth Floor
P.O. Box 140874
Salt lake City, UT 84114-0874
Telephone: 801.366.0375

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UTAH STATE
INSURANCE DEPT

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:	STIPULATION AND ORDER
UTAH INSURANCE DEPARTMENT	Docket No.
RESPONDENT: ENTITLE INSURANCE COMPANY 4600 Rockside Road, Suite 104 Independence, OH 44131 NAIC ID # 51632	Enf. Case No. 2691

STIPULATION

1. Respondent, Entitle Insurance Company is a title insurance company authorized to do business in the State of Utah, NAIC ID # 51632.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent admits the Findings of Fact and Conclusions made therefrom;
 - c. Respondent stipulates to the summary entry of the Order herein which

shall be in lieu of other administrative proceedings by Complainant in this matter; and

- d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

DATED this 21st day of September, 2010.



ENTITLE INSURANCE COMPANY
Michael F. Waiwood, President & CEO



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On or about October 10, 2008, Respondent Entitle Insurance Company filed rates with the Commissioner that appeared to be escrow rates.

2. Upon checking, a Department employee determined that Respondent was not licensed in Utah as an agency.

3. A conference call was held thereafter between Department personnel, Michael Waiwood, President and CEO of Entitle, and Entitle's legal counsel. It was explained during the call that Entitle needed to acquire an agency license if they were to perform escrow closings, the requirements for obtaining an agency license, and the functions an agency could perform.

4. Respondent's President and CEO stated during the conference call that Entitle wished only to insure policies and that they would refer the escrow closings to a license title agency.

5. Between January 2009 and April 2010, a number of phone call and emails between the parties ensued wherein Respondent was advised that advertising on its website indicated that Respondent did escrow closings in all 50 states, and that they needed to correct the website. As a result of such communications, Respondent changed its website to indicate that Respondent does not offer closing services in certain states, including Utah, and that closings in Utah are conducted through licensed, independent escrow agents.

6. On April 12, 2010, a Department investigator sent a letter to Respondent asking for a list of all closings done in Utah from January 2009 to April 2010, in connection with any transactions handled by Respondent, and who the escrow officer was that closed the transactions.

7. On May 8, 2010, the Department investigator received Respondent's response which indicated that, while Respondent did refer most of the transactions to a license escrow agent, Respondent had itself performed seven (7) closings in Utah between January 2009 and April 2010.

8. As of May 8, 2010, Respondent was not licensed as an agency in Utah.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Pursuant to Utah Code Ann. § 31A-23a-106, an entity engaged in the title business may only do escrows under specified conditions, including that the entity must be a producer licensed with the lines of title and escrow.

2. Respondent Entitle Insurance Company violated the above statute when it conducted seven (7) escrow closings without having a title producer's license with the lines of title and escrow.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Recommended Order:

RECOMMENDED ORDER

IT IS RECOMMENDED THAT THE TITLE AND ESCROW COMMISSION IMPOSE THE FOLLOWING PENALTY:

1. Respondent Entitle Insurance Company be assessed an administrative forfeiture in the

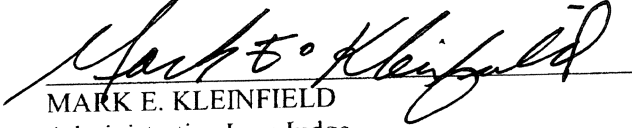
amount of \$21,000 to be paid to the department within 30 days of the date of the imposition of the penalty by the Title and Escrow Commission.

2. Respondent Entitle Insurance company be placed on probation for a period of three months. The terms of probation to be that Respondent shall have no further violations of the Utah Insurance Code, Department Rules, or any order of the Commission.

3. As an additional term of probation, Respondent shall submit a comprehensive business plan outlining steps that will be implemented to ensure future compliance with Utah statutes and Department rules. The plan is to be submitted to the department within thirty days of the date of this Order.

DATED this 27TH day of September, 2010.

NEAL T. GOOCH
Insurance Commissioner


MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

ADOPTION OF RECOMMENDED ORDER AND IMPOSITION OF PENALTY

By a vote of _____ to _____, taken in open meeting on this date, the Title and Escrow Commission hereby adopts the recommended order of the presiding officer and imposes the penalties recommended herein above.

DATED this _____ day of _____, 2010.

JERRY HOUGHTON, Chairman
Title and Escrow Commission

NOTIFICATION

You are hereby notified that a failure to obey an order of the commissioner may subject you to further penalties, including forfeitures of up to \$5,000.00 per violation and the suspension or revocation of your license and the filing of an action in District Court, which may impose forfeitures of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

R592. Insurance, Title and Escrow Commission.

R592-6. Unfair Inducements and Marketing Practices in Obtaining Title Insurance Business.

R592-6-4. Unfair Methods of Competition, Acts and Practices.

In addition to the acts prohibited under Section 31A-23a-402, the Commission finds that providing or offering to provide any of the following benefits by parties identified in Section R592-6-2 to any client, either directly or indirectly, except as specifically allowed in Section R592-6-5 below, is a material and unfair inducement to obtaining title insurance business and constitutes an unfair method of competition.

(1) The furnishing of a title insurance commitment without one of the following:

(a) sufficient evidence in the file of the title insurer, agency or producer that a bona fide real estate transaction exists; or

(b) payment in full at the time the title insurance commitment is provided.

(2) The paying of any charges for the cancellation of an existing title insurance commitment issued by a competing organization, unless that commitment discloses a defect which gives rise to a claim on an existing policy.

(3) Furnishing escrow services pursuant to Section 31A-23a-406:

(a) for a charge less than the charge filed pursuant to Section 31A-19a-209(5); or

(b) the filing of charges for escrow services with the Utah Insurance Commissioner (commissioner), which are less than the actual cost of providing the services.

(4) Waiving all or any part of established fees or charges for services which are not the subject of rates or escrow charges filed with the commissioner.

(5) Deferring or waiving any payment for insurance or services otherwise due and payable, including a series of real estate transactions for the same parcel of property.

(6) Furnishing services not reasonably related to a bona fide title insurance, escrow, settlement, or closing transaction, including non-related delivery services, accounting assistance, or legal counseling.

(7) The paying for, furnishing, or waiving all or any part of the rental or lease charge for space which is occupied by any client.

(8) Renting or leasing space from any client, regardless of the purpose, at a rate which is excessive or inadequate when compared with rental or lease charges for comparable space in the same geographic area, or paying rental or lease charges based in whole or in part on the volume of business generated by any client.

(9) Furnishing any part of a title insurer's, title agency's, or title producer's facilities, for example, conference rooms or meeting rooms, to a client or its trade association without receiving a fair rental or lease charge comparable to other rental or lease charges for facilities in the same geographic area.

(10) The co-habitation or sharing of office space with a client of a title insurer, title agency, or title producer.

(11) Furnishing all or any part of the time or productive effort of any employee of the title insurer, agency or producer, for example,

secretary, clerk, messenger or escrow officer, to any client.

(12) Paying for all or any part of the salary of a client or an employee of any client.

(13) Paying, or offering to pay, either directly or indirectly, salary, commissions or any other consideration to any employee who is at the same time licensed as a real estate agent or real estate broker or as a mortgage lender or mortgage company subject to 31A-2-405 and R592-5.

(14) Paying for the fees or charges of a professional, for example, an appraiser, surveyor, engineer or attorney, whose services are required by any client to structure or complete a particular transaction.

(15) Sponsoring, cosponsoring, subsidizing, contributing fees, prizes, gifts, food or otherwise providing anything of value for an activity of a client, except as allowed under Subsection R592-6-5(6). Activities include open houses at homes or property for sale, meetings, breakfasts, luncheons, dinners, conventions, installation ceremonies, celebrations, outings, cocktail parties, hospitality room functions, open house celebrations, dances, fishing trips, gambling trips, sporting events of all kinds, hunting trips or outings, golf or ski tournaments, artistic performances and outings in recreation areas or entertainment areas.

(16) Sponsoring, cosponsoring, subsidizing, supplying prizes or labor, except as allowed under Subsection R592-6-5(2) or otherwise providing things of value for promotional activities of a client. Title insurers, agencies or producers may attend activities of a client if there is no additional cost to the title insurer, agency or producer other than their own entry fees, registration fees, meals, and provided that these fees are no greater than those charged to clients or others attending the function.

(17) Providing gifts or anything of value to a client in connection with social events such as birthdays or job promotions. A letter or card in these instances will not be interpreted as providing a thing of value.

(18) Furnishing or providing access to the following, even for a cost:

- (a) building plans;
- (b) construction critical path timelines;
- (c) "For Sale by Owner" lists;
- (d) surveys;
- (e) appraisals;
- (f) credit reports;
- (g) mortgage leads for loans;
- (h) rental or apartment lists; or
- (i) printed labels.

(19) Newsletters cannot be property specific or cannot highlight specific customers.

(20) A title insurer, agency or producer cannot provide a client access to any software accounts that are utilized to access real property information that the insurer, agency or producer pays for, develops, or pays to maintain. Closing software is exempt as long as it is used for a specific closing.

(21) ~~[A person, as defined in 31A-1-301, or individual affiliated~~

~~with a title insurer, agency or producer cannot provide a loan or any type of financing to a client of title insurance.]~~ (a) A title insurer, agency or producer cannot provide title or escrow services on real property where an investment loan or financing has been provided by:

(i) a person as defined in 31A-1-301; or

(ii) an individual affiliated with a title insurer, agency or producer, including owners, employees, or contracted service providers; and

(b) does not apply to:

(i) primary or secondary residences; or

(ii) commercial office property owned and maintained by those persons or entities described in (a) herein; or

(iii) obtained through a trustee's sale; or

(iv) re-acquired by the original owner by a stated default.

(22) Paying for any advertising on behalf of a client.

(23) Advertising jointly with a client on subdivision or condominium project signs, or signs for the sale of a lot or lots in a subdivision or units in a condominium project. A title insurer, agency or producer may advertise independently that it has provided title insurance for a particular subdivision or condominium project but may not indicate that all future title insurance will be written by that title insurer, agency or producer.

(24) Advertisements may not be placed in a publication, including an internet web page and its links, that is hosted, published, produced for, distributed by or on behalf of a client.

(25) A donation may not be made to a charitable organization created, controlled or managed by a client.

(26) A direct or indirect benefit, provided to a client which is not specified in Section R592-6-5 below, will be investigated by the department for the purpose of determining whether it should be defined by the Commission as an unfair inducement under Section 31A-23a-402(8).

(27) Title insurers, agencies and producers who have ownership in, or control of, other business entities, including I.R.C. Section 1031 qualified intermediaries and escrow companies, may not use those other business entities to enter into any agreement, arrangement, or understanding or to pursue any course of conduct, designed to avoid the provisions of this rule.

KEY: title insurance

Date of Enactment or Last Substantive Amendment: ~~[June 25, 2009]~~2010
Authorizing, and Implemented or Interpreted Law: ~~[31A-2-201,~~
~~31A-23a-402]~~31A-2-404

EXEMPTIONS FROM COVERAGE UNDER SECTIONS 4 AND 5
OF RESPA FOR CERTAIN SUBORDINATE LOANS PROVIDED
BY ASSISTANCE PROGRAMS FOR LOW- AND MODERATE-INCOME PEOPLE

Several entities that operate housing assistance loan programs for low- and moderate-income persons have requested an exemption from the requirements of the Real Estate Settlement Procedures Act of 1974 (RESPA) and its implementing regulations: specifically, the requirement in section 5(c) to provide a “good faith estimate [(GFE)] of the amount or range of charges the borrower is likely to incur” and the requirement in section 4 to prepare and provide at or before closing the standard form statement of settlement costs (HUD-1/1A). (12 U.S.C. §§ 2603 and 2604; 24 CFR §§ 3500.7 and 3500.8.) The exemption requests have come from state housing finance agencies, municipal governments, nonprofit organizations, and the private partners of all of those entities. The programs that these entities operate provide, among other things, no-cost, zero percent interest, forgivable, or deferred payment loans that the recipients use for downpayment and closing cost assistance; housing rehabilitation and energy efficiency rehabilitation assistance; and foreclosure avoidance assistance. All of the assistance provided by these programs is secured by liens on the recipients’ homes.

Funding for the assistance programs operated by these entities comes from a variety of federal sources, including, but not limited to: HUD’s Community Development Block Grant, Neighborhood Stabilization, Section 108 Loan Guarantee, and HOME Investment Partnership Programs; the Internal Revenue Service’s tax-exempt mortgage revenue bond program; the Federal Home Loan Bank System’s Affordable Housing Program (AHP); the Department of Energy’s home rehabilitation and energy efficiency rehabilitation programs; and the Department of the Treasury’s Housing Finance Agency Hardest Hit Fund.

The purposes of RESPA include effective advance disclosures to homebuyers and sellers. Sections 4 and 5 of RESPA and their implementing regulations were designed, in part, to help borrowers understand their mortgage loan costs and terms, to encourage borrowers to do comparison-shopping for mortgage loans, and to allow borrowers to compare the estimate of settlement costs disclosed on the GFE with the actual costs at closing. The program administrators who have requested an exemption from the requirements of sections 4 and 5 have explained why they believe that providing a GFE and HUD-1/1A is both difficult for their programs and of limited or no value to the recipients of these kinds of assistance loans. They note that the GFE and HUD-1/1A forms are intended primarily to disclose the mortgage loan costs and terms of amortizing first or subordinate mortgages. Most of the assistance programs provide non-amortizing, forgivable loans with low or no settlement costs. The administrators further explained that the GFE and HUD-1/1A are of little value to the recipients of their program assistance because, unlike other borrowers, their recipients cannot find similar alternative loan terms or lower closing costs by using the GFE to do comparison-shopping. Similarly, the recipients do not benefit from using the HUD-1/1A to compare the estimate of costs with the actual costs at closing because the costs are fixed and very low. In addition, the recipients receive specific disclosures that explain the terms of their particular assistance program.

Section 19(a) of RESPA authorizes the Secretary of HUD “to grant such reasonable exemptions for classes of transactions, as may be necessary to achieve the purposes of [RESPA].” (12 U.S.C. § 2617(a).) I have considered the entities’ requests for an exemption and have determined that, for subordinate loan transactions that include certain characteristics: (1) the GFE and HUD-1/1A forms would be difficult to complete in a way that would help the recipients understand the transactions; and (2) for the same reasons that make the forms difficult to complete, the completed GFE and HUD-1/1A forms are likely to confuse recipients who would receive them. In addition, for these subordinate loan transactions, no fees, or only limited fixed fees, are assessed to the recipients, so comparison-shopping would not be effective, and recipients will be provided with basic program-specific disclosures that include the terms of the loan.

Therefore, pursuant to section 19(a) of RESPA, I hereby exempt from the requirements of sections 4 and 5 of RESPA subordinate loan transactions that include all of the characteristics described below. As a result of this exemption, HUD’s regulations implementing sections 4 and 5 of RESPA also do not apply to the transactions covered by the exemption. This exemption does not extend to other sections of RESPA, including the prohibitions in section 8. This exemption remains in effect unless withdrawn in writing.

CHARACTERISTICS OF LOAN TRANSACTIONS THAT QUALIFY
FOR THIS EXEMPTION FROM SECTIONS 4 AND 5 OF RESPA
AND THE IMPLEMENTING REGULATIONS

A. Type of loan: Subordinate lien.

AND

B. Purpose of the loan:

1. Downpayment, closing cost, or other similar homebuyer assistance, such as principal or interest subsidies; or
2. Property rehabilitation assistance; or
3. Energy efficiency assistance; or
4. Foreclosure avoidance or prevention.

AND

C. Loan carries an interest rate of -0- percent.

AND

D. Repayment term:

1. Repayment is forgiven, incrementally, or at a date certain; or
2. Repayment is forgiven, incrementally, or at a date certain, subject to certain ownership and occupancy conditions; e.g., the recipient must maintain the property as his or her primary residence for 5 years; or
3. Repayment is deferred for a minimum of 20 years; or
4. Repayment is deferred until sale of the property; or
5. Repayment is deferred until the property is no longer the primary residence of the recipient.

AND

E. Settlement Cost: The total of settlement costs assessed to the recipient for the subordinate loan is less than one percent of the amount of the subordinate loan and includes, at most, charges for the following items:

1. Recordation fee;
2. Application fee; and/or
3. Housing counseling fee.

AND

F. At or before settlement, the recipient/mortgagor receives a written disclosure that effectively describes the loan terms, repayment conditions, and any costs associated with the loan.

Dated: 10/6/10



Shaun Donovan,
Secretary

MEMORANDUM

Re: Self-Promotional Novelty Items

Dear Title Producer:

Our Department has been inundated with inquiries from industry members concerned about the interpretation of R590-153-6(E), more commonly referred to as "the \$5 rule." We have addressed this issue with the Utah Land Title Association (ULTA) on several occasions and they have posted on their website a copy of a letter addressed to the ULTA members explaining the department's position on self-promotional items. This information has also been addressed to many of you individually. Despite the efforts of the ULTA and the department, many of you still claim to be unaware of the meaning of a "self-promotional novelty item." Since the holiday season has arrived and with it, the spirit of giving, we need to address this matter once again in an effort to prevent violations of R590-153-6(E).

In interpreting a statute or rule, the first principle is to look to the plain language of that statute or rule. In Thomas v. Color County Mgt., 2004 Utah 12, the Utah Supreme Court stated: " 'When interpreting statutes, we determine the statute's meaning by first looking to the statute's plain language, and give effect to the plain language unless the language is ambiguous.' State v. Scofield, 2002 UT 132, P., 63 P.3d 667 (quotation omitted)." The Utah Administrative Code Rule R590-153-6(E) states, "A title agency or insurer may distribute self-promotional items having a value of \$5 or less to producers of title insurance business, consumers and members of the general public."

To read this section, as some of you propose, that a promotional item would not need to be "pre-printed" with the title agency's name, would render the "self" in "self-promotional" meaningless and superfluous. To give meaning to the plain language of the rule would seem to indicate that a "self-promotional" item, as opposed to a "promotional" item must, in and of itself, promote the agency. Therefore, any person examining the item should be able to determine who and/or what that item is promoting. Therefore, whether the item is pre-printed, imprinted, emblazoned, etched, or otherwise, it must permanently bear the name, etc. of the title agency or insurer being promoted in order to be considered self-promotional. Such self-promotional items are ubiquitous. Both the plain language of the rule and common business practice indicate that the term "self-promotional items" would bear the name of the company permanently printed on the item in such a manner to make the title agency easily identifiable to any person seeing that item.

A self-promotional novelty item is a marketing tool distributed in the regular course of business. The item is relatively insignificant to the recipient, but is a powerful marketing technique for the title agency. The main purpose this token item fulfills is name recognition for the title agency. Therefore, every time someone uses your scratch pad, pen or coffee mug, they see your name emblazoned on the product. Since a business card or sticker can be removed, this defeats the purpose of the item and is not permitted by the marketing rule. We are not inclined to

look at every case and judge the adhesiveness of a sticker to determine if it can be considered permanent.

We have received items such as a toy truck, a rubber chicken, fireworks, foam bath and nasal spray, which are considered by some to be self-promotional items. Each of these items was distributed with a business card or sticker attached. There are those in the title industry who consider these items to fall within the intent of the rule, when in fact they do not. It is not the department's intent to stifle creativity, as some have suggested. Our role is that of regulation.

Often, the question is posed, "How am I supposed to find a gift for my client for under five dollars?" Under the rule, a self-promotional novelty item is not a gift, a prize or a means of compensating clients for their business. We understand the desire to be unique and stand out from every other title agency. You should consider standing out using the old-fashioned method if you don't already-- great service! A successful marketing rep should be able to convey this to a potential client without having to shower them with gifts.

Having a permanent marking affixed to an item can limit what you may distribute. Having something commercially imprinted is also more expensive. Nevertheless, distorting the purpose of a self-promotional novelty item and abusing the rule by handing out gifts and prizes under the guise of a self-promotional novelty item, you as an industry have created this problem. It is our opinion that self-promotional items should be incidental to your marketing efforts and not the primary means of securing business. Those in the title industry are unusually generous with their self-promotional items and as a result, have created a dependency. Real estate agents, mortgage brokers and builders now *expect* title agents/agencies to be generous.

We have also heard disagreement from marketing reps about this part of the marketing rule but surprisingly, no voices were heard at the hearing and during public comment period when changes to the rule were being proposed in earlier rule revisions. If members of the title industry want to give out holiday gifts, the hearing is the appropriate forum to propose such changes to the commissioner. As industry members you should consider it your responsibility to be a part of the rulemaking process. Complaints about the marketing rule outside of established rulemaking processes are ineffective.

Some of you have informed us that despite your membership in the ULTA, you have never visited its website. If you are a member, perhaps you should familiarize yourself with this organization and frequently visit its website in order to apprise yourself of important issues that affect the title industry. We also have created a title industry page on the department's website that will contain information on issues that arise, such as the marketing issue. See Title and Escrow Commission on the home page.

Thank you for your support,

Gerri Jones
Sheila Curtis
Market Conduct Examiners

R590. Insurance, Administration.**R590-99. Delay or Failure to Record Documents and the Insuring of Properties with the False Appearance of Unmarketability as Unfair Title Insurance Practices.****R590-99-1. Authority.**

This rule is promulgated pursuant to the general authority vested in the commissioner by Section 31A-2-201(2)(3) to make reasonable rules necessary for, or as an aid to, the effectuation of any provision of the Utah Insurance Code, and pursuant to the specific authority of Section 31A-23a-402 allowing the commissioner to prescribe a classification of material inducements constituting unlawful trade practices, and to define unfair or deceptive acts or practices prohibited in the business of insurance.

R590-99-2. Purpose.

Title insurance is designed to provide indemnification against loss, including a loss resulting from a determination of unmarketability of the insured's interest in real property. The burden of proving any loss, together with the measure of damages, is the obligation of the insured. Normally, a claim of unmarketability of title or a claim involving a "defect, lien or encumbrance" not excluded from coverage will arise in connection with a proposed sale or loan requiring a review of the insured property as to current marketability.

The insured owner, as a potential seller or borrower, may then be placed in the position of being forced or coerced into dealing only with his prior insurer or agent purely as the result of time constraints in meeting the requirements of his transaction, and as the only practical alternative to processing his claim and proving his damage as an insured under his existing coverage. The commissioner is advised and is aware that, in some instances, this circumstance has resulted from the intentional delay, neglect or refusal by insurers, through their agents, to record or deliver for recording documentation necessary to support policy insuring provisions, resulting in the false appearance of unmarketability, in the record only, of property which would otherwise be marketable. This practice is deemed to be an unfair or deceptive act or practice detrimental to free competition in the business of insurance and injurious to the public.

R590-99-3. Definitions.

For the purpose of this rule, the commissioner adopts the definitions as particularly set forth in Section 31A-1-301 and in addition the following:

A. "Document" means any instrument in writing relating to real property described in any title insurance policy, contract or commitment, and reasonably required for the support of the insuring provisions.

B. "Record" means to cause to be delivered to the county recorder, or other public official as may be appropriate, any document in the possession or control of any title insurance company or title insurance agent for which a request to record has been made by an insured party.

R590-99-4. Definition and Classification of Unfair or Deceptive Practices and Material Inducements.

A. Any knowing conduct by a title insurance company or title insurance agent which results in the failure, neglect, refusal to record, or to obtain for recording, any document which, unless recorded, results in the apparent unmarketability of title or a title which may not be insurable by another insurer, is defined as an unfair or deceptive act or practice as prohibited by Section 31A-23a-402.

B. The issuance or agreement to issue title insurance, or the affirmation of current marketability of title, when the possible recording of documents of title has not occurred, and the record does not manifest a title which would be insurable according to generally accepted title insurance standards, is classified and proscribed as an advantage and material inducement to obtaining title insurance business as prohibited under Section 31A-23a-402(2)(c)(i).

R590-99-5. Severability.

If any provision or clause of this rule or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of this provision to other persons or circumstances may not be affected by it.

KEY: insurance law

Date of Enactment or Last Substantive Amendment: 1994

Notice of Continuation: January 27, 2007

**Authorizing, and Implemented or Interpreted Law: 31A-2-201;
31A-23-302**